

Priorities for the progress of association with the EU: expectations of Ukrainian experts before the 23rd EU-Ukraine Summit

In January 2020, Ukrainian independent experts in the areas covered by the Association Agreement (AA) with the EU [set out their expectations](#) for short- and medium-term results for Ukraine-EU relations. Since then, some positive changes have occurred, but most expectations, unfortunately, have not been met. Moreover, the global agenda has changed over the last 1.5 years, creating new challenges and new additional goals.

This document, which more than 20 experts drafted, contains theses, the reflection of which in the joint declaration of the 2021 Summit we consider **the key to its success**; systematises the **updated priorities** of AA modernisation; as well as **indicators of the success** of Ukraine's cooperation with the EU in the medium-term perspective.

Justice, freedom, security

Summit-2021. The parties identified the G7's roadmap for judicial and anti-corruption reforms in Ukraine as an operational tool for implementing the AA in terms of political association. The parties initiated talks between Ukraine, the EC and the Member States on joint border control.

Target-2023. Ukraine has fulfilled all the priorities of the G7 roadmap. The EU has introduced regular monitoring of the implementation of the AA in terms of political association using the *EU Justice Dashboard* methodology and the *EU Rule of Law* report to measure the progress of judicial reform and the fight against corruption. Ukraine and the EU have resolved a legal conflict that has prevented joint border controls between Ukraine and EU member states.

AA updating. Creating a new Annex to Chapter III of the AA to specify the priorities of enhanced cooperation in justice and law enforcement, including ensuring compliance with international and national sanctions regimes.

Liberalisation of trade in goods

Summit-2021. The parties reaffirmed the start of consultations and mutual readiness for faster and deeper liberalisation of trade in goods, particularly a significant expansion of tariff quotas.

Target-2023. The parties agreed to expand the fully utilised tariff quotas significantly.

AA updating. Updating Annexes I and II based on the new liberalisation schedule.

Technical barriers to trade, sanitary and phytosanitary measures

Summit-2021. The parties confirmed their interest in signing the Agreement on Conformity Assessment and Acceptance of industrial products (ACAA).

Target-2023. The EU has standardised the procedure for recognising the equivalence of certification systems for food and agricultural products in the case of a favourable EC decision and has recognised the equivalence for several agricultural products. The framework ACAA was concluded with annexes covering the first three priority areas. Technical regulations on radio equipment, restrictions on the use of hazardous substances, ecodesign, energy labelling, and medical devices are the following ACAA priorities.

AA updating. Extending Annex III, in particular, by including the confirmation of pharmaceutical products' manufacturing under the good manufacturing practice (GMP) into the Annex.

Customs issues

Summit-2021. The parties reaffirmed preparations for mutual recognition of authorised economic operators by the end of 2022. The parties confirmed the goal of Ukraine's accession to the European common transit system by 2023.

Target-2023. Ukraine joined the European common transit system. The mutual recognition of authorised economic operators was enacted.

Digital agenda

Summit-2021. The parties reaffirmed the goal of Ukraine's accession to the EU Digital Single Market based on a roadmap, which includes a transformation of the electronic communications market regulator.

Target-2023. The Agreement on Mutual Recognition of Electronic Trust Services between Ukraine and the EU has been concluded and entered into force, establishing a mechanism for assessing the conformity of service providers and facilities. The EU began assessing Ukraine's readiness for the internal market treatment regime for electronic communications.

AA updating. Updating Annex XVII-3 according to the new EU legislation and given the purpose of joining the EU Digital Single Market.

Public Procurement

Summit-2021. The parties initiated a formal assessment of Ukraine's progress in fulfilling its obligations under Chapter 8 of Section IV of the AA.

Target-2023. Decisions of the association bodies on mutual access to public procurement markets within at least the first three stages of the Indicative Plan.

Transport

Summit-2021. The parties signed the Agreement on a Common Aviation Area (CAA). The parties initiated consultations on improving the conditions of Ukrainian road carriers' access to the EU market and preventing restrictions that distort competition.

Target-2023. Under the CAA Agreement, the Joint Committee decided to end the first / start the second transitional period. A mutual liberalisation of access for road carriers occurred. The process of Ukraine's accession to the European Transport Community has begun.

Financial services

Summit-2021. The parties initiated Ukraine's preparations for joining the Single Euro Payments Area (SEPA). The parties launched consultations regarding the mechanism of obtaining an internal market treatment regime for Ukraine's financial services and the preparation of the relevant roadmap.

Target-2023. Ukraine has joined the Single Euro Payments Area (SEPA).

AA updating. Updating Annex XVII-2 to the new EU legislation.

Energy and energy efficiency

Summit-2021. The parties reaffirmed the priority of continuing to use Ukrainian infrastructure for gas supplies to the EU and launched consultations under Articles 274 and 338 of the AA to strengthen energy solidarity and initiate the use of natural gas delivery points by European customers on Ukraine's eastern border. The parties announced the introduction of targeted financial instruments and structured dialogue on joining the new EU mechanism for financing renewable energy sources, transforming coal regions, and developing low-carbon electricity generation systems. The Parties agreed to extend the monitoring mechanism set in Annex XXVII of the AA to all draft laws and by-laws governing the energy sector.

Target-2023. The Integrated Power System of Ukraine is synchronised with ENTSO-E.

European Green Deal and the environment

Summit-2021. The parties agreed on the roadmap for Ukraine's participation in the EGD, including full access of Ukraine / Ukrainian cities to such instruments as the European Climate Pact, the New European Bauhaus, and the Green Cities Accord.

Target-2023. Ukraine and the EU have agreed on the conditions under which the CBAM mechanism will not apply to goods originating in Ukraine. Ukraine's access to financial instruments for green transition and decarbonisation has been ensured.

AA updating. Updating Annexes XXX and XXXI based on the need to implement the EGD, the Paris Agreement, and include areas not currently regulated by the AA (chemicals, noise pollution etc.).

The formulation and editing of priorities were done by:

Veronika Movchan, Institute for Economic Research and Policy Consulting (IER); **Sergiy Sydorenko**, "European Pravda"; **Dmytro Shulha**, Renaissance Foundation

The following experts also took part in drafting, finalizing and reviewing the document:

Lyubov Akulenko, Ukrainian Center for European Policy; **Yevhen Anhel**, IER; **Natalia Andrusevych**, RAC "Society and Environment"; **Stepan Berko**, DEJURE Foundation; **Oleksandra Betliy**, IER; **Andriy Butin**, IER; **Mykhailo Honchar**, "Strategy XXI"; **Iryna Kosse**, IER; **Vitaliy Kravchuk**, IER; **Pavlo Kravchuk**, "Europe without Barriers"; **Victoria Kulikova**, European Business Association; **Volodymyr Lapa**, Ukrainian Agribusiness Club; **Ivan Lakhtionov**, Transparency International Ukraine; **Dmitry Lurie**, European Business Association; **Roman Nitsovych**, DiXi Group; **Liliia Oleksiuk**, "Information Security and Information Technologies"; **Olena Pavlenko**, DiXi Group; **Oksana Prykhodko**, European Media Platform; **Mariia Repko**, Center for Economic Strategy; **Iryna Sushko**, "Europe without Barriers"